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WASHINGTON 25, D. C.

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OFFICE OF THE DEPUTY DIRECTOR (INTELLIGENCE)

2 1 MAY 1963

Dear Joe:

The rate at which the CIA-DIA special project on the Soviet ground forces is progressing is causing me growing concern. You will recall that Secretary McNamara asked Mr. McCone for a preliminary report in August. To assist the project we in CIA have taken the following steps:

- 1. designated the CIA members for the project panel,
- 2. tabled terms of reference for discussion,
- 3. requested special support from the Deputy Director (Plans),
- 4. proposed an operating procedure for the panel, and
- 5. requested a traffic intelligence briefing from NSA.

We have kept your staff informed as to these actions and I am attaching for your record the relevant papers. I am also attaching copies of the exchange of correspondence between Secretary McNamara and Mr. McCone so you can be sure that your file is complete in this respect.

You will note in ANNEX I, page 7, of the attached CIA proposed terms of reference (15 April 1963) that we believe the study should include consideration of the following general topics:

- I. Organization
- II. Equipment, Combat
- III. Costs
- IV. Employment
  - V. Effectiveness

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with respect to topics I and II, my staff is currently exploring the feasibility of applying automatic data processing techniques to achieve rapidly a first cut at the integration of TKH materials. I am also pleased to be able to inform you in connection with topic II that the DD/P Staff has already begun to implement my request (3, above). With respect to topic III my staff will shortly be distributing the detailed estimates of land armament expenditures which were requested by your staff. At the same time my staff is formulating certain requests to be made of the Office of the Secretary of Defense and the Department of the Army for comparative US cost data. I hope that in the near future you and I shall both hear that constructive technical advances are in progress.

I imagine you feel as I do that the preliminary report to the Secretary must necessarily be partial in nature and tentative as well, but that every effort must be made to be as responsive to the Secretary's needs as possible. To this end I suggest that we charge our representatives on the panel with completing the terms of reference and the panel's operating procedures in the next few days, with arranging for the integration of the new materials in the next few weeks and with producing a progress report for you and me by the end of June.

In this connection please let know at your very earliest convenience who your designees for the project panel are, and whether or not you approve our proposed terms of reference and operating procedures (or what your counterproposals are).

Deputy Director (Intelligence)

Lt. General Joseph P. Carroll Director, Defense Intelligence Agency Washington 25, D. C.

Enclosures: Listed on following page

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## Panel Operational Plan

- 1. Establish terms of reference.
- 2. Schedule briefings on substance of subjects in terms of reference.
  - (a) Briefings will cover topics in detail and will include: nature, quantity, and quality of underlying evidence; statements of ground rules on acceptance of evidence; methodology; currently hold estimates. Also included should be suggested alternatives levels reflecting alternate interpretations of evidence and alternate methodologies.
    - (b) A general discussion with substantive people will follow briefing. Reference to information files may be necessary for complete understanding of problem by panel members.
    - (c) Text of briefing and copies of displays will be given to each member of panel.
    - (d) Requests for further information or short studies may be made at later date.
  - 3. Discussion by panel of information relating to subject.
    - (a) If members satisfied that all obtainable information has been assimilated into existing product, panel may:

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- (1) approve alternatives as presented, decide on form and method of presentation, provide for preparation of report;
- (2) or require reexamination of evidence by substantive group and framing of new alternatives;
- (3) or suggest alternative methods.
- (b) If additional information appears obtainable, request its procurement for purposes of this study.
- (c) Follow-on discussions if necessary.
- 4. Review report and provide for dissemination.

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## THE SECRETARY OF DEFENSE WASHINGTON

Enclosure 6

13 February 1963

Dear John:

I believe that the estimates of the strength of Soviet ground forces contained in JCS communications to me (e.g. 132 divisions in Eastern Europe by M + 90) and in the recent NIS 11-14-62 (80 combatready divisions) overstate actual Soviet strength by a wide margin. Moreover, the over-all capabilities of Soviet ground forces appear to be overstated. The NIE indicates that these forces are "well-trained and equipped with excellent material." The JCS studies assume that United States and Soviet divisions of like type have comparable capabilities.

I cannot understand how the Soviets could possibly achieve such strength with the resources available to them. How is it that the Soviets can get 30 combat-ready divisions out of a two million man army if we can get but 16 out of an army of nearly a million? The NII indicates that the Soviets could have 100 combat-ready divisions within 30 days of mobilization. We have to spend at an annual rate of \$3.3 billion to equip 22 divisions. By that standard, the Soviets would have to be spending \$15 billion a year to equip 100 divisions. It is difficult to see how they could be spending more than a third of that amount.

If these estimates are overstatements, they are doing a great deal of harm by causing our HATO Allies and many Americans to despoir of the possibility of achieving adequate non-nuclear forces.

I believe that we need a new and thorough study of the problem by CIA and DIA. Members of my staff will be made available to assist in this study to the extent deemed advisable by you and General Carroll. Such a study should re-evaluate the estimates and assess the ranges of uncertainty concerning the following aspects of the Soviet ground forces: manpower allocation, training, and utilization; equipment inventories, ennual procurement increments, and procedures for acquiring, storing, and handling equipment; and quality of ground forces in terms of firepower, mobility, readiness, manning levels, logistics, etc. We very much need a thorough study, but, because of the urgancy of the problem, I would very much like to receive a preliminary report within about aix months. Movever, I feel that a long run program to improve our estimates in this area is also required.

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Finally, I believe that it is essential that all estimates of Soviet force levels be required to meet reasonable tests of economic feasibility. This means that NIE's should include cost estimates and over-all budgetary implications of the estimated forces. It would be very useful to me to income how the Soviets are allocating their military expenditures. Rough estimates of the amounts they are spending for various categories of forces would enable us to form better judgements of the quality of their forces. I think that the progress of the CIA-DIA Joint Analysis Group in this respect is encouraging. But I would very much like to see the same concepts applied as soon as possible to projections from the current year forward (and to the recent past).

I would be most grateful for your help.

Sincerely,

a/Bob

Robert S. McNamara

Honorable John A. McCone Director, Central Intelligence Washington 25, D. C.

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Enclosure 7

1 8 APR 1963

Dear Bob:

Your letter concerning the intelligence estimates on Soviet ground forces raises some very interesting points about their reliability, consistency and ranges of uncertainty. I agree that we need a thorough study to evaluate all available information concerning the aspects of Soviet ground forces specified in your letter, and we are proceeding as follows:

- 1. A panel of CIA and DIA personnel has been established. The participation of one or two qualified people from your staff as observers would sid us in interpreting your requirements for information and in obtaining US cost data for comparative purposes. They would also help you in evaluating the results of the study.
- 2. This panel is responsible for reviewing all partinent evidence and preparing a thorough and objective study on manpower, equipment, costs, and the qualitative aspects of Seviet ground forces. I plan to ask the Board of National Estimates to review this study, and of courses General Carroll and I will review it.
- 3. Wherever possible, the ranges of uncertainty will be treated emplicitly according to the definitiveness and the reliability of the evidence.
- 4. A proliminary report will be forwarded to you in August, and at this point we will decide on the type of long run program that will best serve to improve our estimates in this field.

I would like to comment on some of the substantive statements in your letter. In evaluating Soviet military forces there is the danger of inferring that the Soviets have the same doctrine on

organization and employment of forces as the US. Even in 1950, the combat tasks envisioned by the US and the USSR for their ground divisions resulted in different organizational and deployment postures; recent changes appear to have increased these differences. For example, Soviet divisional strengths are far below those of either the US pentomic or ROAD divisions. It is now estimated that there are about half as many men in a typical combat ready Soviet tank division as there are in a typical US armoved division. Other significant differences exist in procurement policy, logistic support, and mobilization concepts.

In reply to your request for information on how the Soviets are allocating their military expenditures. I have attached to this letter a recent CLA study prepared in support of NIE 11-4-63 which is currently in process. This study includes estimates of expenditures by mission and category in terms which are as comparable to those of the US as Soviet organization and data limitations permit. There is also an extensive section on the similarities and differences in the scope of US accounts and those used in the study. The study covers the period 1958 through 1967; however, the estimates for the future have a very wide range of uncertainty. The Agency has made similar studies annually for more than five years, and although the full details of such studies have not been included in National Intelligence Estimates, they have been used to assess the economic feasibility of estimated Soviet military programs. It was the long history of experience in this field which permitted the Agency to contribute the "costing" aspect of the work of the CIA-DIA Joint Analysis Group mentioned in your letter. Furthermore, another Estimate (NIC 11-5-63), recently completed, examines the problems facing the Soviet economy including the broader aspects of military and space programs.

Sincerely,

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Director of Central Intelligence

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Honorable Robert SI McNamara Secretary of Defenseessee Washington 25, D. C.

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## THE SECRETARY OF DEFENSE WASHINGTON

23 APR 1963

Dear John:

Thank you for your kind letter of April 8 in which you indicate that CTA will participate in a joint CTA-DTA effort to evaluate all available information on Soviet ground forces. I particularly appreciate your response because the question is so crucial to the decisions I will have to make during the next year. I am especially pleased that you have already established a joint panel and that preliminary effort is underway.

I have asked Mr. Hitch to designate a member of his staff to aid you in interpreting our requirements and to provide whatever other services my office can offer. I prefer, however, that he not be a member of the study group nor that he have any influence on its findings.

Thanking you in advance for the assistance you will be providing us, I remain

Sincerely,

BOB

Honorable John A. McCone Director, Central Intelligence Washington 25, D. C.

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